

Signs of revival for aviation, tourism

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It looked like 2021 was going to be a year without travel.

But this month, International Air Transport Association (Iata) director Alexandre de Juniac told The Straits Times that personal and leisure travel would resume in the second half of this year.

Talks of an Australia-Singapore travel bubble are also in the works. And Taiwan's health minister has said Singapore is likely next in line after it kicks off its first travel bubble with Palau, an archipelago in Micronesia, on April 1.

Transport Minister Ong Ye Kung has said bilateral travel corridors for vaccinated passengers from places with low to moderate infection rates may be possible in the second half of the year.

Singapore Airlines recently became the first airline to trial the Iata travel pass, which will allow passengers to verify their Covid-19 test results and vaccination status.

If the trial is a success, it could be rolled out globally and pave the way for travel without stay-home notice or quarantine.

Industry experts say these indicators, coupled with factors such as a global vaccine roll-out and demand for domestic tourism, are encouraging signs.

Hoteliers, airlines and travel agencies who spoke to ST, while cautious, are hopeful that leisure travel will be possible before the year is over.

Ms Joanna Lu, head of consultancy for Asia at Ascend by Cirium, the aviation analytics company's consultancy arm, is betting on travel to return in the third quarter of this year, with the short-haul leisure sector leading the way.

However, she says a return to pre-Covid-19 traffic levels may happen only between 2023 and 2025, depending on the region.

In China, she adds, demand for personal and leisure travel has been encouraging.

"Airlines may want to find a way to package the experience, especially for their lucrative premier classes: take the tests, leave the paperwork to us. It is a new world order and the airline that best helps travellers transition to this new way of travel will win."

MS SHIRLEY TEE,

senior manager and course manager of hospitality and tourism management at Nanyang Polytechnic, on the way forward for the resumption of leisure travel

The company's data reveals that after the pandemic was brought under control last year, Chinese low-cost carriers have had an average load of about 80 per cent - close to pre-pandemic levels.

Ms Jane Sun, group chief executive of online travel services provider Trip.com, has observed a similar trend.

During the seven-day Spring Festival holiday in China last month, typically a time when Chinese travel to visit family, bookings for hotels and scenic attractions increased in comparison with the same period in 2019. Bookings for scenic attractions went up by more than 50 per cent.

Closer to home, the same pent-up demand is evident. When the Singapore-Hong Kong travel bubble was announced last year, bookings soared.

Ms Shirley Tee, senior manager and course manager of hospitality and tourism management at Nanyang Polytechnic, says Singaporeans' limited opportunities to clear their annual leave, as well as more disposable income from savings, have all contributed to a yen for travel.

Anticipating recovery, a cautiously optimistic Singapore Airlines Group will expand its passenger network in the coming months.

After reinstating services to Tokyo's Haneda Airport this month, it will launch parallel services to Taipei alongside budget carrier Scoot from next month.

READY FOR TURBULENCE

Even so, travellers will not take to the skies unfettered.

Early stages of recovery will likely come in the form of travel bubbles, contingent on countries standardising travel protocols and recognising each other's travel passes.

"Otherwise, we are back to seeking permission, like how we used to do for travel visas, to enter another country. Back in the day, this was a time-consuming and expensive process," says Ms Tee.

"I think the first tranche of leisure travel will be expensive and exclusive. Everyone will be wary of crowds," she adds.

With smaller group sizes and airfare dependent on demand and supply, tours are likely to cost more.

For example, when the Singapore-Hong Kong travel bubble was announced last November, flight prices almost tripled from about \$400 to \$1,100 for a round-trip economy class ticket.

Safety management measures, such as restrictions on the number of people who can visit an attraction at one time, means trips will move more slowly.

This is not entirely a bad thing, if you ask Dynasty Travel's director of public relations and communications Alicia Seah.

"People will focus on safety and quality. Land transport arrangements and hotels will likely be of a higher standard," she says.

New travel insurance policies that provide pandemic-related coverage such as pre-departure cancellation or post-trip treatment, currently in the works, may also drive up the cost.

Ms Seah says insurance companies are looking to launch such policies this year.

And gone are the days of long-weekend jaunts to nearby cities or a spontaneous trip booked days ahead.

People will now take fewer trips but expect more from them, says Ms Sarah Wan, online travel agency Klook's general manager for Singapore.

Even so, there will be new inconveniences to grapple with, such as restrictions on group size or the need to book time slots at attractions.

To mitigate this, Klook is working with vendors to provide live updates on the number of slots available as well as other information on safety measures.

Meanwhile, business travel may be reshaped altogether, with industry players echoing the Iata chief's prediction that the sector will take at least 12 to 18 months to get back on its feet.

Online meetings have become a viable alternative in the past year or so. Ms Lu of Cirium says long-haul business travel, in particular, could be the hardest hit.

Companies might find it difficult to compel employees to undergo Covid-19 tests or take vaccines just for business travel, she says.

OPPORTUNITY IN CRISIS

Still, online travel agencies are confident that when the travel boom comes, it will be immense.

They believe measures which helped them stay afloat during border closures, such as enhancing domestic offerings and promoting products via live-stream campaigns, will pay dividends among an international audience.

"Travellers will be looking for hyper-local, unique experiences," says Ms Wan of Klook.

In Taiwan, for instance, it paired with the National Museum of Marine Biology and Aquarium to launch a penguin-feeding experience where visitors can learn about animal conservation at the same time.

Klook also partnered messaging app Line to launch a one-stop booking service for domestic bus routes, with more than 20,000 tickets sold to date.

The Line app, popular in countries such as Japan, Thailand and Indonesia, will make bus bookings more convenient for tourists when they return to Taiwan.

Before global lockdowns caused by the pandemic, buying tourism products such as hotel stays via a live stream was unfathomable.

But these campaigns, normalised over the past year, have tremendous potential.

Through live streaming, Trip.com promoted products such as discounted high-end hotel packages with flexible check-in dates, generating more than US\$360 million (S\$483 million) in gross merchandise value between March and October last year.

Ms Sun says: "We have faith in our industry's ability to unite and innovate."

Airlines, too, can capitalise on the downtime to come back stronger.

Since last year, the industry has been rife with talk of consolidation among airlines and aircraft leasing companies.

Aircraft overcapacity, lower revenue and higher costs will be the norm for a while, says Ms Lu.

Still, airlines can enhance efficiency by studying destination markets to home in where there is demand.

"It will take joint efforts between countries and airports to get routes relaunched, but there are opportunities too," she adds.

When it comes to the actual flying, convenience and safety can also be compelling factors.

Ms Tee of Nanyang Polytechnic says: "Airlines may want to find a way to package the experience, especially for their lucrative premier classes: take the tests, leave the paperwork to us.

"It is a new world order and the airline that best helps travellers transition to this new way of travel will win."

For hoteliers, competing for the staycation dollar of well-travelled Singaporeans over the past year has spurred them to up their game in terms of cleanliness, concepts, digitalisation and novel offerings.

Pan Pacific Hotels Group (PPHG), which owns and manages nine properties here, has launched various themed packages, including a Japanese-themed staycation at Pan Pacific Singapore.

It includes a meal at Keyaki Japanese restaurant and tickets to Gardens by the Bay, which this month launched a sakura and Hello Kitty floral display.

PPHG chief executive Choe Peng Sum says: "The pandemic has taught us that the domestic market is just as important. Many staycation experiences we have rolled out are aimed at providing guests the opportunity to rediscover Singapore.

"When travel resumes, these would appeal to international guests as well."

Far East Hospitality chief executive Arthur Kiong echoes this sentiment, adding that the pandemic has urged them to consider properties not just as a place to stay, but also part of a concept or precinct.

He cites The Clan Hotel Singapore, a new luxury property that references the heritage of its surroundings.

The hotel is located in Telok Ayer, once home to many local clan associations, and offers insight into a unique slice of Singapore.

Mr Kiong says it is this distinctiveness that will woo travellers from abroad once borders open.

He adds: "For discretionary international travel to take off, the destination must first promise to be so compelling and enjoyable that it is worth the hassle."